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UNCLAS HARARE 000448

SIPDIS

SENSITIVE

STATE FOR AF/S
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER
USDOC FOR 2037 DIEMOND
PASS USTR ROSA WHITAKER
TREASURY FOR ED BARBER AND C WILKINSON
STATE PASS USAID FOR MARJORIE COPSON

[E](#). O. 12958: N/A

TAGS: [ECON](#) [EINV](#) [ETRD](#) [ZI](#)

SUBJECT: Econ 101 for Mugabe's Finance Minister

[1](#). (SBU) We have learned of an exchange between Finance Minister Herbert Murerwa and Dairiboard CEO Anthony Mandiwanza. 14 CEOs had recently called on Murerwa to plead for an end to the GOZ's convoluted macroeconomic policies. The Finance Minister began the session by apologizing that his office was unable to purchase milk for the tea and coffee on the table. Dairiboard's Mandiwanza, who also heads the Confederation of Industries, seized the moment and suggested that milkless beverages should be the meeting's first topic. He explained that firms he represents pay farmers Z\$120/liter for milk. On average, each liter carries an additional Z\$200 of overhead by the time it reaches the retail market. "That's why, Mr. Minister," he concluded, "your staff can't get a liter of milk at the controlled price of Z\$80."

[2](#). (U) Comment: It's not rocket science.

Sullivan